



Missouri Division of Workforce Development
DWD Issuance 11-2017

Issued: November 09, 2017
Effective: November 09, 2017

Subject: Supplemental Wage Information for Workforce Innovation and Opportunity Act Performance Reporting Policy

1. Purpose: This Issuance provides guidance on using Supplemental Wage Information to meet the performance accountability requirements in Section 116¹ of the Workforce Innovation and Opportunity Act (WIOA)² and the WIOA implementing regulations³ for Local Workforce Development Area (LWDA) performance reporting. This Issuance supersedes and rescinds previous guidance from the Division of Workforce Development (DWD) on the use of supplemental data for performance reporting.⁴

2. Background: WIOA Section 116 establishes performance accountability indicators and performance reporting requirements to assess the effectiveness of states and LWDA's. This assessment gauges achievement of positive outcomes for individuals served by WIOA's six core programs: the Adult, Dislocated Worker, and Youth programs⁵; the Adult Education and Family Literacy Act (AEFLA) program⁶; the Employment Service (ES) program⁷; and the Vocational Rehabilitation (VR) program.⁸

Section 116 establishes six primary indicators of performance:⁹

- Employment Rate of Participants, 2nd Quarter after Exit;¹⁰
- Employment Rate of Participants, 4th Quarter after Exit;
- Median Earnings of Participants, 2nd Quarter after Exit;
- Credential Attainment of Participants in Education or Training;
- Measureable Skills Gains by Participant; and
- Effectiveness in Serving Employers.¹¹

¹ 29 U.S.C. 3141.

² Pub. L. 113-128 [29 U.S.C. 3101 et seq.].

³ 20 CFR Part 677, Subpart C—Local Performance Accountability for Workforce Innovation and Opportunity Act Title I Programs, sections 677.205 through 677.210.

⁴ DWD Issuance 01-2001, "Use of Supplemental Data for WIA Performance Reporting," July 16, 2001 (herein rescinded).

⁵ Authorized under WIOA Title I and administered by the U.S. Department of Labor (DOL).

⁶ Authorized under WIOA Title II and administered by the U.S. Department of Education (ED).

⁷ Authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), as amended by WIOA Title III, and administered by DOL.

⁸ Authorized under Title I of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), as amended by WIOA title IV, and administered by ED.

⁹ DOL and ED advise that there will be further guidance forthcoming on credential attainment, measureable skills gains, and effectiveness serving employers before performance reporting on these indicators is required. (WIOA FAQs, DOL Employment and Training Administration [ETA] website: <https://www.doleta.gov/wioa/FAQs.cfm>, posted September 6, 2017.) DWD will issue statewide guidance, as appropriate, when this information becomes available.

¹⁰ The primary indicators of performance under WIOA are measured for specific quarters after exit that are different from the quarters used under the Workforce Investment Act of 1998 (WIA).

¹¹ The pilot for this indicator began on July 1, 2016. However, due to the timing of available data under such definitions, states will not be responsible for reporting outcomes on this indicator until October 2018. (WIOA FAQs, DOL Employment and Training Administration [ETA] website: <https://www.doleta.gov/wioa/FAQs.cfm>, posted September 6, 2017.)

The **first three** employment related performance indicators may be determined by direct Unemployment Insurance (UI) wage match. The U.S. Department of Labor (DOL) prefers this methodology whenever possible. However, states may choose to collect Supplemental Wage Information where quarterly wage records are unavailable or inapplicable.¹²

Supplemental data allows augmentation of performance results that would be artificially deflated if only direct wage matches were used. States and LWDA's that elect not to use Supplemental Wage Information are still expected to include participants who do not have the necessary data to complete a wage record match in the denominator when calculating levels of performance. In so doing, those individuals would be counted as negatives (0 in the numerator) when calculating levels of performance for the second and fourth quarter employment rate/status indicators. Participants will be excluded from the median earnings indicator calculation if the employment rate in the second quarter after exit is a negative (0).¹³

Effective the date of this Issuance, Missouri reauthorizes Local Workforce Development Boards (Local WDB) to use Supplemental Wage Information to establish employment status and earnings for exited participants who do not show up in UI wage records. Local WDBs must follow federal guidance and State procedures to use supplemental data. All supplemental data sources are subject to audit during Programmatic Monitoring Reviews (PMR) and/or WIOA Data Element Validation.

DOL recently updated its guidance¹⁴ on using supplemental data, when appropriate, to assist in carrying out the performance reporting requirements of WIOA Section 116.

[Advisory Note: [TEGL No. 26-16](#) (June 1, 2017), which provides supplemental wage information guidance, refers to information and guidance in [TEGL No. 10-16](#) (December 19, 2016). However, DOL recently made technical corrections to that [TEGL](#) and rescinded and replaced it with [TEGL No. 10-16, Change 1](#), on August 23, 2017. The latter document, therefore, should be associated with the guidance given in [TEGL No. 26-16](#).]

3. Substance:

The majority of employees in Missouri's workforce are "covered," that is, included in UI wage records. However, certain types of employers and employees are excluded by federal unemployment law standards or are not covered under the State's UI law ("uncovered employees"). Supplemental data can be used for the Employment Rate—Second Quarter after Exit, the Employment Rate—Fourth Quarter after Exit, the Median Earnings—Second Quarter after Exit, and the Credential Attainment measures when no UI wage record exists.

As examples, the State UI data system would *not* have quarterly wage records for:

- Individuals with "No SSN," therefore, no wage match; and
- Individuals *not covered* by UI (therefore, no wage match), such as:
 - Federal employees;
 - Military/National Guard;

¹² U.S. Department of Labor, Training and Employment Administration, Training and Employment Guidance Letter ([TEGL](#)) No. 10-16, [Change 1](#), "Performance Accountability Guidance for Workforce Innovation and Opportunity Act (WIOA) Title I, Title II, Title III, and Title IV Core Programs," August 23, 2017.

¹³ DOL, Employment and Training Administration, Training and Employment Guidance Letter ([TEGL](#)) No. 26-16, "Guidance on the Use of Supplemental Wage Information to Implement the Performance Accountability Requirements under the Workforce Innovation and Opportunity Act," June 1, 2017.

¹⁴ [TEGL No. 26-16](#).

- Some self-employed;
- Railroad employees;
- Some maritime employees;
- Some agricultural employees; and
- Other state-specific exclusions.¹⁵

Acceptable sources of Supplemental Wage Information *include, but are not limited to:*

- IRS Form 941—Employer’s Quarterly Tax Return;
- Copies of pay stubs (minimum of two pay stubs for the quarter after exit being examined);
- Employment verification on company letterhead attesting to an individual’s employment status and earnings;
- Follow-up survey (self-reported) from program participants;
- Worksheets verifying income received from commissions;
- Automated database systems that data match with other partners with whom data sharing agreements exist;
- Self-employment worksheets attested to (signed) by program participants;
- State directory of new hires;
- Detailed case notes verified by employer and signed by the counselor, if appropriate to the program;
- Federal Employee Data Exchange System (FEDES)¹⁶; and
- State Wage Interchange System (SWIS) [when deployed].¹⁷

A participant’s quarterly earnings used for reporting the Median Earnings Indicator (Second Quarter after Exit) only reflect those wages that are actually paid to the participant during the quarter.¹⁸

Participants who have exited a program, but for whom exit based information (e.g., employment related information) is not yet available, are not included in performance calculations until such data subsequently become available.¹⁹ Data for the employment indicators generally are available, as there is a two quarter lag built into the reporting times for the employment and wage based indicators to allow time for reporting participant exit and conducting a direct UI wage-record match.

Assembling Supporting Data for Primary Indicators of Performance

Collection of supplemental data can be made more efficient by anticipating which participants are unlikely to have UI wage data. Reasonable predictions can be made, well in advance of the time for collecting Second and Fourth Quarter after Exit

¹⁵ That is, statutory exclusions from the definition of covered employee. See [RSMo 288.034.9](#), “Employment defined.”

¹⁶ DOL has announced it will suspend the FEDES system in January 2018 to assess its structure, costs, and benefits to states. States currently participating in FEDES will be able to query the FEDES for federal wage information through November 2017, which will cover Program Year 2016 reporting. (WIOA FAQs, DOL Employment and Training Administration [ETA] website: <https://www.doleta.gov/wioa/FAQs.cfm>, posted September 6, 2017.)

¹⁷ The Wage Record Interchange System (WRIS) is a data-sharing agreement to exchange wage-record information for performance-reporting purposes between States in the agreement. WRIS, and WRIS2, were established under WIA. The future system designed for WIOA will be known as the State Wage Interchange System (SWIS). DOL and ED are working with the states to establish a SWIS Data Sharing Agreement that builds on the established protocols, permissions, and protections under WRIS and WRIS2. Unlike those systems, SWIS will be capable of also obtaining wage records to carry out performance reporting for the AEFLA and VR programs. SWIS is expected to be available in 2018. ([TEGL No. 26-16](#).)

¹⁸ [TEGL No. 26-16](#).

¹⁹ [TEGL No. 10-16, Change 1](#).

information, that no direct UI wage record will be available. Participants who refused to provide an SSN when entering a program would be “pre-selected” for the list of exiters for whom supplemental data will be required. Participants who received entrepreneurial or self-employment training are more likely to be in an occupation not covered by UI. In these cases, it is not necessary to wait two quarters after the close of the Second and Fourth Quarters after Exit to document formally that UI wage data are not available. The collection of Supplemental Wage Information, therefore, can begin.²⁰

For other participants, the optimal time to collect Supplemental Wage Information is **as soon as possible following the close of the second and fourth full quarters after exit.**²¹ DOL and the U.S. Department of Education (ED) jointly recommend that program staff remind participants, *before program exit*, that they or their employers will be contacted to obtain confirmation of employment status and earnings. Explain the expected timeframe for follow-up contacts and how the follow-up relates to assessment of the program itself, not the participant. While this reminder is applicable to all participants, it is especially important for potentially “uncovered” participants for whom UI wage data probably will not be available.

Conformity of Reporting

The *same methodology* must be used to verify *employment status* and *wages* within the same quarter. For example, if a direct match with UI wage records is used to verify *employment status* in the Second Quarter after Exit, a direct match must be used to obtain *median earnings* in the Second Quarter after Exit. The method can be changed from one reporting period to another, however, supplemental data reported to a core program also must be consistent with the reporting requirements of that program.

For core programs, supplemental data must be representative of the exited participant’s regular hours and earnings. Information to be acquired includes:²²

- Average hours scheduled per week;
- Average hours actually worked per week;
- Wage per hour;
- Availability of paid leave;
- Start date of employment; and
- End date of employment, if the participant moved on.

When the information is gathered, it must be entered into the appropriate Employment Tab in the statewide electronic case management system. Information must be recorded in the system to be counted toward performance.

All supplemental data sources are subject to audit during PMRs and/or WIOA Element Validation.

²⁰ [TEGL No. 26-16](#).

²¹ [TEGL No. 26-16](#) establishes the timelines for commencing data collection for the employment-related performance indicators (Table 1) and the deadlines for reporting employment-related information (Table 2).

²² TEGL No. 26-16, [Attachment 1](#), “Additional Considerations when Using Supplemental Wage Information for the Core Programs.”

Exclusions

Excluded participants who have exited one of the six core programs, but for whom the Supplemental Wage Information would not be required, as they are not counted in performance outcomes, are listed in [Attachment 2](#) of TEGL No. 10-16, Change 1. These would include participants who are deceased, incarcerated, under medical care that precludes employment or program participation, in activated Guard or Reserve units, and so forth. Supplemental Wage Information for the Median Earnings indicator may include only those wages *actually paid* to the participant during the quarter, not projections.²³

Best Practices

DOL recommends²⁴ that when collecting Supplemental Wage Information:

- Develop a uniform set of written procedures for staff to use to collect and enter data in a valid and reliable manner;
- Inform participants at program entry—or at least before program exit—that there *will be* a follow-up some time after they complete the program—and why;
- Update the participant’s contact information routinely;
- Conduct the follow-up as close to the end of the reference quarter as possible;
- Train staff in interview techniques for following up with exited participants and their employers. That is, how to employ conversational approaches that will encourage cooperation and obtain the most accurate and complete information;
- Training should include ways to encourage voluntary and truthful disclosure, how to document the information received, and how to respond to questions related to the follow-up process. Staff should be thoroughly familiar with all these procedures *before* being assigned contacts; and
- Develop a method to flag individuals who are unlikely to appear on the UI wage record for a direct match.

4. **Action:** This Issuance is effective immediately. Please distribute this Issuance to appropriate individuals.
5. **Contact:** Direct questions or comments regarding this issuance to the Manager of DWD Performance and Research at (573) 526-8261, or clint.flowers@ded.mo.gov.
6. **References:** Workforce Innovation and Opportunity Act, Section 116 [[29 U.S.C. 3141](#)], “Performance accountability system.”

20 CFR Part 677, [Subpart C—Local Performance Accountability for Workforce Innovation and Opportunity Act Title I Programs](#), sections 677.205 through 677.210.

U.S. Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter ([TEGL](#)) No. 7-16, “Data Matching to Facilitate WIOA Performance Reporting,” August 23, 2016.

U.S. Department of Labor, Training and Employment Administration, Training and Employment Guidance Letter ([TEGL](#)) No. 10-16, [Change 1](#), “Performance Accountability Guidance for Workforce Innovation and Opportunity Act (WIOA) Title I, Title II, Title III, and Title IV Core Programs,” August 23, 2017

²³ TEGL No. 26-16, [Attachment 1](#), “Additional Considerations when Using Supplemental Wage Information for the Core Programs.”

²⁴ [Supplemental Wage Information—Performance Accountability](#), U.S. Departments of Labor and Education webinar PowerPoint, July 25, 2017.

U.S. Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter [\(TEGL\) No. 26-16](#), "Guidance on the Use of Supplemental Wage Information to Implement the Performance Accountability Requirements under the Workforce Innovation and Opportunity Act," June 1, 2017.

7. Rescissions: This Issuance supersedes and replaces DWD Issuance 01-2001, "Use of Supplemental Data for WIA Performance Reporting," dated July 16, 2001.
8. Attachments: None.

The Missouri Division of Workforce Development is an equal opportunity employer/program.
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